# *Canada Houses Her Veterans*

**This article, reviewing recent Canadian housing experience, is being published at a time when legislation is before the Canadian House of Commons, attempting to formulate a new housing policy. These proposals include a new division of the responsibility of providing low rental housing which may profoundly affect the future development of Canadian communities.**

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BY THE end of 1949 Canada will have built 370,000 housing units since 1945, amounting to an average annual construction of 75,000 units; in U. S. terms, on a comparable per capita basis, this would amount to 4,600,000. This rate of residential construction is considerably above any previous annual volume in Canada, even in the gilded 'Twenties — only about 58,000 units were built in 1928, the peak year.†

The largest single entrepreneur, responsible for 10% of this total production, has been the Federal Government; under a variety of policies and administrative programs it has built on direct account 36,000 units (1945-49) for its returned soldiers and their families. This is an immense achievement and has materially contributed to the fact that every ninth Canadian family today lives in a post-war home.

Any traveler through Canada cannot fail to see and recognize these houses—whether he travels by road, rail or air. They are to be seen on the approaches to every Canadian city, they have changed many a town's skyline, particularly on the prairies. They are recognizable because they are mostly new, they are cut to a pattern, and they are arranged in compactly organized projects.

The agency responsible for this operation is the Central Mortgage and Housing Corporation (C.M.H.C.), a Crown Company wholly owned and operated by the Federal Government. The Corporation constitutes the largest single building entrepreneur and landlord in Canada today and has played a decisive part in shaping the post-war expansion of residential areas of our cities.

### The Policy Evolves

Canada has no public-housing system comparable with that in the U. S. or Great Britain; a series of administrative developments, most of them prompted by the pressure of circumstances, have produced this immense federal program of rental housing. The evolution of this policy has been subject to several principal influences: of fundamental importance was the position taken by the Dominion that housing was a matter of "property and civil rights," and, therefore, came constitutionally within "an unquestioned field of the provinces under peacetime conditions."

However, in 1946 the Minister of Reconstruction summarized the present policy in these terms:

> It is the policy to ensure that as large a portion as possible of housing be built by private initiative. The Dominion Government will lend every facility to private enterprise . . . if, however, with all the assistance we can provide . . . the houses required to substantially improve the housing standard of the Canadian people are not forthcoming, then the Dominion Government will take a direct position in the housing field.

The Federal Government had been moved to direct action before; five years earlier when the steadily expanding war production threatened to precipitate an acute housing congestion and shortage, a wholly government-owned housing corporation was established whose explicit purpose was "to enable the factories and war plants to function by providing houses for the men and women brought in to be employed there." This Crown Company, incorporated as Wartime Housing, Limited, was to construct rental housing for munition workers, both with families and without. Wartime Housing, Ltd., proved to be the foot in the door of public responsibility for the provision and administration of rental housing in Canada. With the end of the war, the original purpose of Wartime Housing was extended to include the provision of housing for the returning soldier and his family and, with some changes in administrative procedure and responsibility, has since become the method of building low- and medium-rental housing in Canada.

### Federal-Municipal Housing

Federal-municipal relations on veterans' rental housing have been characterized by a series of annually changing agreements on the allocation of specific responsibilities within the over-all policy; many basic problems inherent in the direct relationship between these two levels of government were settled by *ad hoc* decisions which often looked no further ahead than one calendar year.

Federal housing construction was predicated on the concept of immediate rental to veterans of World War II, but ultimately on the sale of the units. The physical result, therefore, was somewhat circumscribed and took the form of detached single-family houses, fairly uniform in accommodation and general architectural character from coast to coast.

In broad terms, the policy formula for veterans' housing provided that construction and maintenance of the dwelling units be the responsibility of the Federal Government and the provision of land and services be that of the municipality. Administratively this broad concept was elaborated for each project, with close adherence to a "standard municipal agreement" for uniform application across the country.

The entire program was conceived as a limited emergency plan both during

* The author has just completed a Dominion-wide tour in the course of which he has seen more than 26,000 houses of the total built by the Federal Government from Coast to Coast. He visited 110 cities and towns and traveled closed to 8,000 miles.

† The Curtis Report of the Housing and Community Planning Subcommittee to the Dominion Government's Advisory Committee of Reconstruction, appointed in 1942, estimated the total urban housing program for the first post-war decade as 606,000 units and recommended a minimum of 50,000 units to be built during the first post-war year.

city's getting together on the construction of the new addition, told the council that 23 of the 35 members had been interviewed and that 12 were in favor, one was opposed, and 10 were undecided and wanted more information.

The townships near the city were inclined to favor the merger, while those on the outer edge were not as favorable toward the idea. It was pointed out that the city paid only 23% of the taxes levied in the county. Dunn County has a population of approximately 30,000, with nearly 8,000 living in the City of Menomonie. This would seem to indicate that potentially at least one out of every three persons using the city hospital would be from Menomonie.

Although the mayor originally stated that he couldn't see much advantage in the county's coming in on the proposition, he was not directly opposed to the idea. He believed that this action might "cloud the issue."

After considerable discussion pro and con, the Common Council voted to adopt a resolution petitioning the county board to assist them with the new hospital.

### County Board Adopts City-County Hospital Merger

The proposed addition received one of its greatest boosts when the Dunn County Board of Supervisors accepted the city's offer and adopted a resolution merging the two governmental units in the construction, maintenance, and operation of the new structure. But the victory was not won easily. After failing to obtain the required majority by one vote on the first ballot, a recess was called. Advocates appealed directly to the County Board asking them not to look only at the money involved, but rather to consider the project from the humanitarian standpoint. It was also brought out that because two-thirds of the hospital patrons came from outside the city, the county was under a moral obligation to support the project. On a second vote the resolution was passed.

### Joint Ownership Plan

According to the county ordinance, adopted in May, 1949, the county will contribute to the joint enterprise, in cash, the sum of $50,000 as part of the building fund, $25,000 of which is payment for half interest in the hospital. The city will pay $25,000 toward the hospital addition within the year for a total of $75,000.

Because there was no precedent for the cooperation of city and county governments in such a project, it was necessary to appeal to the State Legislature. Under the leadership of Assemblyman Earl Hansen, this was accomplished in what is now known legally as Chapter 53, Laws of 1949. This new law states that a city and county may jointly own and operate a hospital, and issue joint mortgage revenue bonds for the cost of construction and improvements of the structure.

### Financing Plan Adopted

Approval of the issue of $230,000 in joint hospital mortgage revenue bonds for the county and city shares in the construction of an addition to the newly named Memorial Hospital was voted by both governmental units in July 1949. While the City Council voted unanimous approval of the bonds, the County Board vote was 26 affirmative, 8 negative, and one absent.

Negotiations for the sale of the bonds all to be paid off by 1977 on an amortization plan with interest at 3% was conducted by the officers and finance committees of the two boards. When the arrangements had been completed, the agreements of sale were submitted to the County Board and City Council in August 1949.

The total cost of the addition will be $443,894, according to the resolution. A federal grant will provide $144,631 of this amount, and the joint hospital fund and donations amount to $75,000, leaving $230,000 to be raised by revenue bonds.

The new law provided for the establishment of a joint county-city hospital board, to be composed as follows: two to be appointed by the County Chairman with the approval of the County Board; two, by the Mayor and confirmed by the Common Council; and one jointly by the County Board chairman and the mayor, confirmed by the County Board and the City Council.

Acting within the provisions of this law, the newly appointed hospital board employed a manager who will be responsible for the general operation of the hospital.

The annual budget will be submitted to the two boards and if additional funds are required the governmental units will guarantee them.

### School Needs Are Also Met

Because of the unique solution to Menomonie's hospital financing problem, the community decided to go ahead with a new addition to the high school, including a gymnasium and six classrooms. The cost of this addition, now being built, is $284,600. An addition to one of the elementary schools, which will cost $69,300, is also being constructed. Arrangements to finance these two school buildings have been made by a regular bond issue to be paid over a 20-year period from general property taxes.

## *Federal Official Doesn't Know Answer— Charleston Must Solve Own Problems*

CITIZENS of Charleston, W. Va., recently got an unusual response from a federal official when they invited him to tell them what the Housing Act of 1949 means to their city.

Speaking on that subject before the Charleston Exchange Club, Deputy Administrator B. T. Fitzpatrick of the Housing and Home Finance Agency, said he didn't know the answer—that the question was one that only Charleston could answer.

The answer, he said, hinges on the answers to several other questions, such as:

1. What kind of a city should Charleston be?
2. How should Charleston develop and grow in the years to come?
3. What should be done about Charleston's slums?
4. Which slum areas should be cleared first?
5. When a slum area is cleared, should it be rebuilt with housing, or used for a parking garage or a playground, or for business or commercial purposes?
6. How can Charleston provide adequate housing for low-income families livin the slums?
7. How should these decisions on slums and low-rent housing be related to Charleston's present and future needs for transportation, and for schools and other facilities?

Mr. Fitzpatrick explained the federal assistance made available to local communities under the new Housing Act—if they want it and can demonstrate that they need it. The Act contains provisions for federal loans and grants to communities for acquiring and clearing slum areas, and for federal loans and annual subsidies to communities for development and operation of low-rent public housing for families of low income living in inadequate housing.*

* See "What Cities Should Do Now to Qualify for Federal Redevelopment and Housing Aid," by Raymond M. Foley, Administrator of the Housing and Home Finance Agency, in THE AMERICAN CITY for August 1949, on page 93.

the war and after, and as such hardly attempted to estimate accurately the full need, either quantitatively or qualitatively. The extent of the post-war program was determined by the number of returned soldiers in every community. From 1944 to 1947 it was customary to negotiate annually with the municipalities for successive housing projects comprising a more or less arbitrary number of units, usually in groups of 25, 50, or 100 and multiples thereof as an administrative convenience, but deliberately below the known veterans' demand.

## Land Acquisition and Municipal Agreements

During the war, Wartime Housing, Ltd., had assumed full responsibility for all phases of housing war workers. As the company moved into the veterans' field, the Federal Government insisted on the positive support of the municipality through their contribution of the building land. These lots had to be fully serviced and deeded outright to the Crown for the nominal consideration of one dollar per lot.

As a Crown Company, Wartime Housing, Ltd., could own and operate housing totally tax-exempt, but it was early realized that some payment to municipalities for specific services would have to be made in lieu of taxes. The rate of payment was set at the flat sum of $24 and $30 for a two- and three- (or more) bedroom unit, respectively. This arrangement was continued for the veterans' rental program and was to run for 10 to 15 years, varying with the cost of housing and its service installations. It was calculated on the basis of a net return to the company sufficient to amortize the initial investment to a level of about $1,000 at the end of the period. Each municipality was given a three months' irrevocable option to purchase all the housing units *en bloc* at a price of $1,000 each, together with the fixtures and land held by the company at the end of the agreement period.

Each municipality was required by the agreement to seek from its parent provinicial government the necessary approval of these arrangements. It waived the application of local building by-laws and zoning regulations to these houses and agreed to furnish all standard municipal services to the tenants without any special levy or assessment.

## Tenants' Selection

A point-rating system was devised to select the tenants from among all locally eligible veterans and determine their sequence of moving into the houses.

The rental structure for veterans' housing was based upon the levels previously established for war workers' homes. During 1944-47, the rental range was $22 to $32 per month for a four- to six-room unit, with slight variations according to differing regions.

Until 1947 the houses themselves were identical to those built by Wartime Housing, Ltd., during the war. The same considerations of speed and economy still applied. Each project was confined to the narrow range of floor plans of four- to six-room houses of similar dimensions and exterior finish. The only structural change was the cement-block or solid concrete foundation that replaced creosoted wood posts, since a greater permanency was expected. Basements in general were ruled out because of the high capital cost in relation to rents charged.

## Site Selection and Development

Aside from the emphasis on economy, the requirements that the municipality should supply serviced land restricted opportunities for any comprehensive community planning. The pressure of the housing need forced the Federal Government into accepting a variety of building land that often would otherwise never have been developed for residential purposes. With few exceptions, the Federal Government could only insist upon minimum lot sizes and some minor readjustments of land subdivisions. The Central Mortgage and Housing Corporation's experience shows essentially two sources of municipal land for veterans' housing: land in odd lots

**The project at Trail, B. C., set in a natural alcove in the Columbia River Valley. Inset: One of the smaller units.**

sprinkled throughout the town which, over a period of time, had reverted to the municipality for taxes; these lots were usually fully serviced and the town was anxious to put them to productive use. By housing veterans there it received some tax return; these lots occurred almost anywhere within a town and had all of the usual advantages and disadvantages of small urban lots. Apart from this "lot in-filling" process, more than half of all veterans' housing was built on land on the fringe of cities. In few cases was C.M.H.C. allowed any choice of land since the town was anxious to develop the fringe-land that was most readily serviceable with water and sewers and that could be cleared cheaply at the particular moment. Here the significant opportunity seems to have been missed by the municipalities that did not assume a total view of their urban needs and insure that this segment of housing would become an integral part of the organic growth of the whole town. Short-range and sometimes wholly irrelevant considerations (from the planning point of view) prompted many municipal site selections and compelled C.M.H.C.'s acceptance.

## 1948 Rental Housing

Despite this fairly vigorous housing program, by the end of 1947 the demand for more rental housing had become increasingly insistent. Consequently the Federal Government somewhat liberalized its veterans' rental policy, especially by providing "more favorable terms to the municipalities" and by placing added emphasis upon flexibility and improvement in the physical design of the dwelling units and their project sites.

The principle of municipal participation was retained, but reinterpreted:

- The land development costs to be borne by the municipality were limited to a maximum of $600 per housing unit. Excess costs were to be capitalized into the value of the house and recovered through a higher rental. In practice, excessive land-development costs usually prompted C.M.H.C. and the municipality to look for an alternative site rather than be forced to charge higher rents.

- The Federal Government, through its Housing Corporation, offered to prefinance these land-development costs up to the $600 limit. These advances, with a 2% interest, were recoverable by C.M.H.C. through deductions from the payment in lieu of taxes due to the municipality over a maximum of 10 years.

- Rentals were to be increased to $29, $33, and $37 for a 2-, 3-, and 4-bedroom house, now with a full basement. This was to allow for an increased payment in lieu of taxes to the municipality of $70, $75, and $80 for each of the above houses, respectively. The rents under this agreement were calculated on the basis of 60 cents per hundred dollars of the Dominion's total expenditure, but not including assistance by the municipality.

- The Dominion offered to share equally with the municipality any gains or losses realized upon the liquidation of the investment by a sale of the houses; in other words, the Federal Government promised to make a contribution equal to the "municipal participation" prior to recovery of its initial capital investment.

In general, the 1948 formula allowed for more flexible arrangements, designed to meet the varying needs of different municipalities and thus increase local interest in rental housing. The intention of greater flexibility and variation was clearly expressed by substantially different house designs. However, the five-room house seems to have become a fairly general standard throughout Canada under this program, simply because its capital cost allowed a rent to be set at what was considered a reasonable level; yet some regional differences were introduced in the designs and a better variety of building materials encouraged.

## The Project at Trail, B. C.

One of the most interesting projects under the 1948 program has been developed in Trail, B.C., the important mining and smelting community in the Canadian Rockies. Here in a town of about 11,000 people, almost entirely dependent on employment in the Consolidated Mining and Smelting Corporation, C.M.H. C. was asked to build 175 houses for veterans last year. Trail is situated on both sides of the Columbia River on narrow terraces enclosed by the mountains. Despite the obvious lack of good building land a basically suitable site was found; it was outside the city limits and required a special incorporation. It is a flat piece of bench land in a natural alcove formed by the very steep hills and the river. In terms of the existing town it was very choice residential land, consisting of two horseshoe-shaped plateaus concentric to each other which suggested two separate areas of housing, both having full advantage of the view up and down the Columbia. The development plan, as well as the siting of individual units, pays great respect to the contours and site orientation and demonstrates how the nature of a site should properly influence the over-all design. Through the skillful preservation of the few existing trees and taking full advantage of the dramatic backdrop of the surrounding hills, studded with sage brush, an aesthetic whole was created. The houses themselves are of the two- and three-bedroom design with several different exterior-finish materials. The streets carefully parallel the contours and the living areas of houses generally face onto green strips.

Carefully considered space relationships between each unit and the grouping of them into small sub-units within a larger whole overcomes the inherent dullness and monotony of the street facade; a pleasant rhythm of open and enclosed spaces is set up throughout the development. This arrangement seems to eliminate the characteristic weakness of large-scale housing cut to one physical and social pattern; usually a solution to this problem has been sought in vain by the deliberate randomization of applied architectural details and materials.

## Conclusion

A substantial immigration and an increased rate of family formation has caused Canada's spectacular post-war urban growth. Most municipalities were totally unprepared to cope with it. Especially in the residential expansion few, if any, local authorities seemed to be able to guide it.

When the opportunity came for them to add substantially to their housing stock through a veterans' rental program, they had no method or machinery with which to decide on its appropriate nature and size or its proper location within the over-all urban framework. The opportunity of veterans' housing projects to form part of a larger city plan seldom arose, since only a minority of Canadian cities had any established scheme for their future development. Canada's critical problems are in the fringe areas. The ever-receding open spaces and her unparalleled boom in natural and human resources have made her cities and towns frontiers of expansion filled with the scintillating spirit of growth and adventure.

It seems that here the important change must take place: Canada's boundless energies must be harnessed in support of a well-ordered urban environment. In low-rental housing, irrespective of which level of government will now become effectively responsible for it, an integrated planning effort on the municipal level will have to precede, or at least accompany, any local large-scale housing. Houses alone are no longer enough; they can only be significant if they become part of a whole, a fully operating city.

Canada's urban growth must no longer be conceived of in abstract terms of housing "projects," apart from the community as an organic whole, an environment with a physical, social, and visual diversity which will stimulate a truly creative community life. In most cases we still have this chance; Canada's cities have not yet outgrown themselves, lost their cohesion, their common identity, or their purpose; the present is a most critical time for urban Canada.